

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM

ORIGINAL

WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 30742
Name: Palomino Petroleum, Inc.
Address: 4924 SE 84th St.
City/State/Zip: Newton, Kansas 67114-8827
Purchaser: None
Operator Contact Person: Klee R. Watchous
Phone: (316) 799-1000
Contractor: Name: Southwind Drilling, Inc.
License: 33350
Wellsite Geologist: Jon R. (Zeb) Stewart

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW Temporary
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows:
Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr./SWD
 Plug Back _____ Plug Back Total Depth _____
 Commingled _____ Docket No. _____
 Dual Completion _____ Docket No. _____
 Other (SWD or Enhr.?) _____ Docket No. _____

<u>12/19/07</u>	<u>1/11/08</u>	<u>1/11/08</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 101-22064-00-00
County: Lane
N/2 N/2 S/2 Sec. 11 Twp. 19 S. R. 29 East West
2270 feet from (S) / N (circle one) Line of Section
2580 feet from E / (W) (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW (SW)
Lease Name: Ahnert-Paris Well #: 1
Field Name: New Paris
Producing Formation: None
Elevation: Ground: 2802 Kelly Bushing: 2812
Total Depth: 4695 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 225 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from _____
feet depth to _____ w/ _____ ^{sx cmt.}
Alt 2 - DG - 128109

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 22 2008
CONSERVATION DIVISION
WICHITA, KS

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used _____
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Klee R. Watchous
Title: President Date: February 21, 2008
Subscribed and sworn to before me this 21st day of February,
20 08.
Notary Public: Carla R. Penwell NOTARY PUBLIC - State of Kansas
Carla R. Penwell CARLA R. PENWELL
Date Commission Expires: October 10, 2009 Appt. Expires 10-10-09

KCC Office Use ONLY
N Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
____ UIC Distribution

Operator Name: Palomino Petroleum, Inc. Lease Name: Ahnert-Paris Well #: 1
 Sec. 11 Twp. 19 S. R. 29 East West County: Lane

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run: Radiation Guard, Sonic	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Anhy.</td> <td>2142</td> <td>(+ 670)</td> </tr> <tr> <td>Base Anhy.</td> <td>2170</td> <td>(+ 642)</td> </tr> <tr> <td>Topeka</td> <td>3695</td> <td>(- 883)</td> </tr> <tr> <td>Heebner</td> <td>3940</td> <td>(-1128)</td> </tr> <tr> <td>LKC</td> <td>3981</td> <td>(-1169)</td> </tr> <tr> <td>LKC "I" zone</td> <td>4240</td> <td>(-1428)</td> </tr> <tr> <td>LKC "J" zone</td> <td>4273</td> <td>(-1461)</td> </tr> <tr> <td>LKC "K" zone</td> <td>4316</td> <td>(-1504)</td> </tr> </table>	Name	Top	Datum	Anhy.	2142	(+ 670)	Base Anhy.	2170	(+ 642)	Topeka	3695	(- 883)	Heebner	3940	(-1128)	LKC	3981	(-1169)	LKC "I" zone	4240	(-1428)	LKC "J" zone	4273	(-1461)	LKC "K" zone	4316	(-1504)
Name	Top	Datum																										
Anhy.	2142	(+ 670)																										
Base Anhy.	2170	(+ 642)																										
Topeka	3695	(- 883)																										
Heebner	3940	(-1128)																										
LKC	3981	(-1169)																										
LKC "I" zone	4240	(-1428)																										
LKC "J" zone	4273	(-1461)																										
LKC "K" zone	4316	(-1504)																										

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12 1/4"	8 5/8"	20#	225'	Common	165	2% gel, 3% c.c.

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				
RECEIVED KANSAS CORPORATION COMMISSION FEB 22 2008				

CONSERVATION DIVISION			
Shots Per Foot	PERFORATION RECORD - Brit. Lbs. / Sq. Ft. / Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---------------	------	--------	-----------	---

Date of First, Resumerd Production, SWD or Enhr.	Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
--	---

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
-----------------------------------	-----------	---------	-------------	---------------	---------

Disposition of Gas <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled	Production Interval <input type="checkbox"/> Other (Specify) _____
---	--	--

LOGS

BKC	4345	(-1533)
Marmaton	4401	(-1589)
Pawnee	4464	(-1652)
Ft. Scott	4512	(-1700)
Cherokee Sh.	4535	(-1723)
Miss.	4608	(-1796)
LTD	4695	(-1883)

RECEIVED
KANSAS CORPORATION COMMISSION

FEB 22 2008

CONSERVATION DIVISION
WICHITA, KS



INVOICE

24 S. Lincoln Street
P.O. Box 31
Russell, KS 67665-2906
Voice: (785) 483-3887
Fax: (785) 483-5566

RECEIVED
JAN 17 2008

Invoice Number: 111993
Invoice Date: Jan 15, 2008
Page: 1

Bill To:

Palomino Petroleum, Inc.
4924 SE 84th St.
Newton, KS 67114-8827

Federal Tax I.D.#

Customer ID	Well Name/# or Customer P.O.	Payment Terms	
Palo	Ahnert-Paris #1	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Oakley	Jan 15, 2008	2/14/08

Quantity	Item	Description	Unit Price	Amount
165.00	MAT	Class A Common	14.20	2,343.00
110.00	MAT	Pozmix	7.20	792.00
10.00	MAT	Gel	18.75	187.50
69.00	MAT	Flo Seal	2.25	155.25
287.00	SER	Handling	2.15	617.05
42.00	SER	Mileage 287 sx @.09 per sk per mi	25.83	1,084.86
1.00	SER	Plug to Abandon	1,075.00	1,075.00
42.00	SER	Mileage Pump Truck	7.00	294.00
1.00	EQP	Dry Hole Plug	40.00	40.00

RECEIVED
KANSAS CORPORATION COMMISSION

FEB 22 2008
CONSERVATION DIVISION
WICHITA, KS

ALL PRICES ARE NET, PAYABLE
30 DAYS FOLLOWING DATE OF
INVOICE. 1 1/2% CHARGED
THEREAFTER. IF ACCOUNT IS
CURRENT, TAKE DISCOUNT OF

\$ 658.87

ONLY IF PAID ON OR BEFORE

Feb 14, 2008

Subtotal	6,588.66
Sales Tax	349.20
Total Invoice Amount	6,937.86
Payment/Credit Applied	
TOTAL	6,937.86



INVOICE

24 S. Lincoln Street
P.O. Box 31
Russell, KS 67665-2906
Voice: (785) 483-3887
Fax: (785) 483-5566

RECEIVED
DEC 31 2007

Invoice Number: 111742
Invoice Date: Dec 21, 2007
Page: 1

Bill To:
Palomino Petroleum, Inc.
4924 SE 84th St.
Newton, KS 67114-8827

Federal Tax I.D.#

Customer ID	Well Name/# or Customer P.O.	Payment Terms	
Palo	Ahnert-Paris #1	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Oakley	Dec 21, 2007	1/20/08

Quantity	Item	Description	Unit Price	Amount
165.00	MAT	Common Class A	12.60	2,079.00
3.00	MAT	Gel	16.65	49.95
6.00	MAT	Chloride	46.60	279.60
174.00	SER	Handling	1.90	330.60
42.00	SER	Mileage 174 sx @.09 per sk per mi	15.66	657.72
1.00	SER	Surface	815.00	815.00
42.00	SER	Mileage Pump Truck	6.00	252.00

ALL PRICES ARE NET, PAYABLE
30 DAYS FOLLOWING DATE OF
INVOICE. 1 1/2% CHARGED
THEREAFTER. IF ACCOUNT IS
CURRENT, TAKE DISCOUNT OF

\$ 446.39

ONLY IF PAID ON OR BEFORE

Jan 20, 2008

Subtotal	4,463.87
Sales Tax	127.65
Total Invoice Amount	4,591.52
Payment/Credit Applied	
TOTAL	4,591.52

ALLIED CEMENTING CO., INC.

31850

Federal Tax I.I.

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:

Oakley Ks

DATE <u>12-19-07</u>	SEC. <u>11</u>	TWP. <u>19³</u>	RANGE <u>29^W</u>	CALLED OUT	ON LOCATION <u>2:30 Pm</u>	JOB START <u>2:45 Pm</u>	JOB FINISH <u>3:00 Pm</u>
LEASE <u>Ahnert-Paris</u>	WELL # <u>1</u>	LOCATION <u>Dighton 6S-24-1/4N</u>			COUNTY <u>Lane</u>	STATE <u>Kan</u>	
OLD OR NEW (Circle one)				<u>1/4 E</u>			

CONTRACTOR Southwind Digs #1

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 226'

CASING SIZE 8 5/8 DEPTH 226'

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 15'

PERFS.

DISPLACEMENT 13 1/2 DBL

OWNER Same

CEMENT

AMOUNT ORDERED 165 sks com

3%acc - 2%del

EQUIPMENT

PUMP TRUCK CEMENTER Walt

431 HELPER Alvin

BULK TRUCK

377 DRIVER Wil

BULK TRUCK

DRIVER

COMMON	<u>165 sks</u>	@	<u>12⁶⁰</u>	<u>2,079⁰⁰</u>
POZMIX		@		
GEL	<u>3 sks</u>	@	<u>16⁶⁵</u>	<u>49⁹⁵</u>
CHLORIDE	<u>6 sks</u>	@	<u>46⁶⁰</u>	<u>279⁶⁰</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>174 sks</u>	@	<u>1⁹⁰</u>	<u>330⁶⁰</u>
MILEAGE	<u>9 1/2 pro sk/mile</u>			<u>657²²</u>
TOTAL				<u>3,396⁸²</u>

REMARKS:

Cement Did Circ

Thank You

CHARGE TO: Palomino Petroleum

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE 815⁰⁰

EXTRA FOOTAGE @ _____

MILEAGE 42 miles @ 6⁰⁰ 252⁰⁰

MANIFOLD @ _____

@ _____

@ _____

TOTAL 1,067⁰⁰

PLUG & FLOAT EQUIPMENT

\$

@ _____

@ _____

@ _____

@ _____

@ _____

TOTAL

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE

Frank J. Rame

Frank J. Rame

PRINTED NAME

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner, agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

Company	Palomino Petroleum, Inc.	Lease Name	Ahnert-Paris	
Address	4924 SE 84th St.	Lease #	1	
CSZ	Newton, KS 67114	Legal Desc	See Coments	Job Ticket 2033
Attn.	Zeb Stewart	Section	11	Range 29W
		Township	19S	
		County	Lane	State KS
		Drilling Cont	Southwind Drilling, Inc. Rig 1	

Comments **Legal Description: 2270' FSL & 2580 FWL**
I charged double milage on DST #2 to pick up tool.

GENERAL INFORMATION

Test # 1	Test Date	1/8/2008	Chokes	3/4	Hole Size	7 7/8
Tester	Tim Venters		Top Recorder #	W1119		
Test Type	Conventional Bottom Hole		Mid Recorder #			
	Successful Test		Bott Recorder #	13565		
# of Packers	2.0	Packer Size	6 3/4	Mileage	212	Approved By
Mud Type	Gel Chem		Standby Time	0		
Mud Weight	9.3	Viscosity	45.0	Extra Equipmnt	Jars & Safety joint	
Filtrate	7.2	Chlorides	1300	Time on Site	2:00 AM	
Drill Collar Len	0			Tool Picked Up	4:10 AM	
Nght Pipe Len	0			Tool Layed Dwn	11:10 AM	
Formation	Lansing "H&I"		Elevation	2802.00	Kelley Bushings	2812.00
Interval Top	4180.0	Bottom	4240.0	Start Date/Time	1/8/2008 3:38 AM	
Anchor Len Below	60.0	Between	0	End Date/Time	1/8/2008 11:47 AM	
Total Depth	4240.0					

Flow Type **Weak surface blow at the start of the intial flow period, but building reaching the bottom of the bucket in 6 minutes. Weak surface blow at the start of the final flow period, but building to about 10 inches in 5 minutes. It stayed at 10 inches till the 25 minute mark, then it started to diminish, ending at 6 inches. Times: 30, 30, 30, 30.**

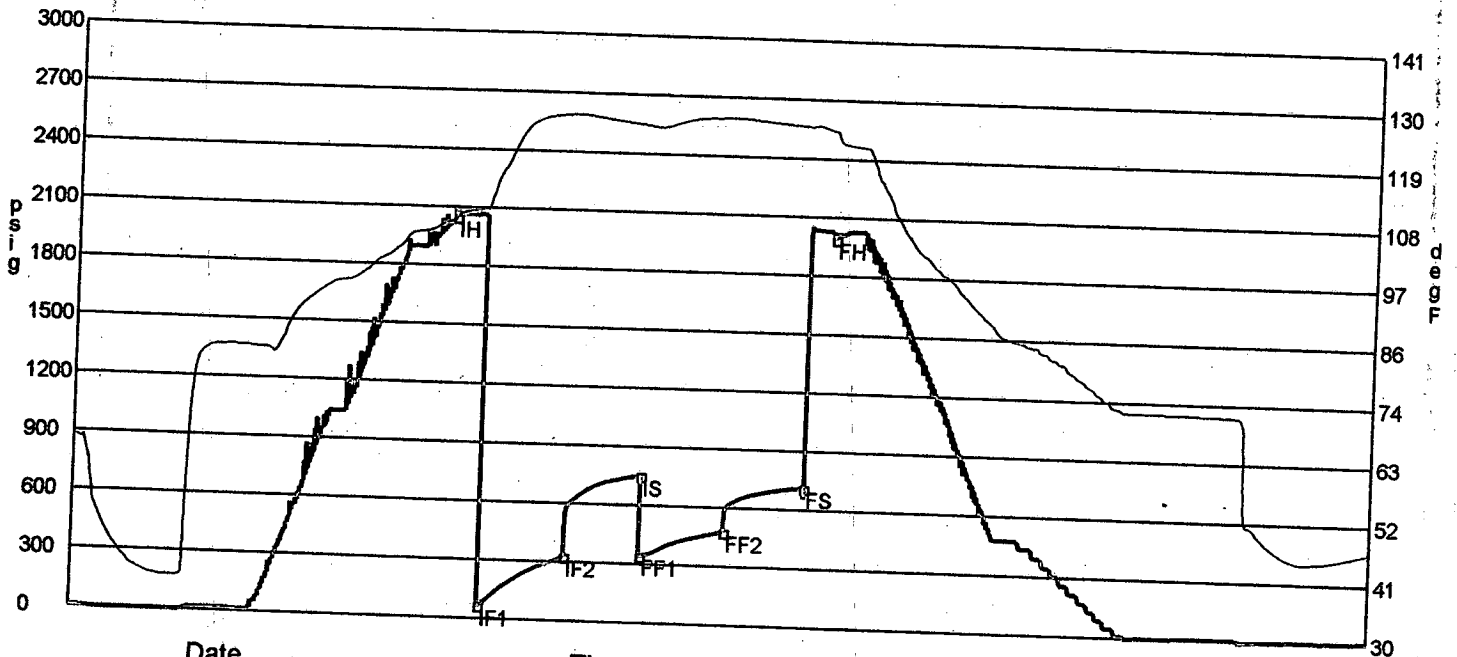
RECOVERY

RECEIVED
 KANSAS CORPORATION COMMISSION

FEB 22 2008

Net Description	Gas	Oil	Water	Mud
Clean oil	0% 0ft	100% 5ft	0% 0ft	0% 0ft
0 Heavy oil, water cut mud	0% 0ft	30% 7.5ft	12% 3ft	58% 14.5ft
0 oil, heavy water cut mud	0% 0ft	10% 30ft	27% 81ft	63% 189ft
0 Oil, heavy mud cut water	0% 0ft	3% 10.8ft	80% 288ft	17% 61.2ft
0 Very slight (trace) oil, mud cut water	0% 0ft	trace	95% 171ft	5% 9ft
Mud	0% 0ft	0% 0ft	0% 0ft	100% 60ft
Very slight (trace) oil, heavy water cut mud	0% 0ft	trace	42% 25.2ft	58% 34.8ft

IT Fluids **48000**



	Date	Time	Pressure	Temp	
IH	1/8/2008 5:58:00 AM	2.333333	2047.142	105.769	Initial Hydro-static
IF1	1/8/2008 6:10:15 AM	2.5375	64.494	107.567	Initial Flow (1)
IF2	1/8/2008 6:42:15 AM	3.070833	326.795	125.853	Initial Flow (2)
IS	1/8/2008 7:10:30 AM	3.541667	750.106	124.227	Initial Shut-In
FF1	1/8/2008 7:10:45 AM	3.545833	342.495	124.173	Final Flow (1)
FF2	1/8/2008 7:42:15 AM	4.070833	475.572	125.994	Final Flow (2)
FS	1/8/2008 8:12:00 AM	4.566667	713.224	124.79	Final Shut-In
FH	1/8/2008 8:21:15 AM	4.720833	1988.735	124.001	Final Hydro-static

GAS FLOWS

<u>Min Into IFP</u>	<u>Min.Into.FFP</u>	<u>Gas Flows</u>	<u>Pressure</u>	<u>Choke</u>
---------------------	---------------------	------------------	-----------------	--------------

RECEIVED
 KANSAS CORPORATION COMMISSION
 FEB 22 2008
 CONSERVATION DIVISION
 WICHITA, KS

Company	Palomino Petroleum, Inc.	Lease Name	Ahnert-Paris
Address	4924 SE 84th St.	Lease #	1
SZ	Newton, KS 67114	Legal Desc	See Coments
City	Zeb Stewart	Section	11
		Township	19S
		County	Lane
		Drilling Cont	Southwind Drilling, Inc. Rig 1
Comments	Legal Description: 2270' FSL & 2580 FWL I charged double milage on DST #2 to pick up tool.		

GENERAL INFORMATION

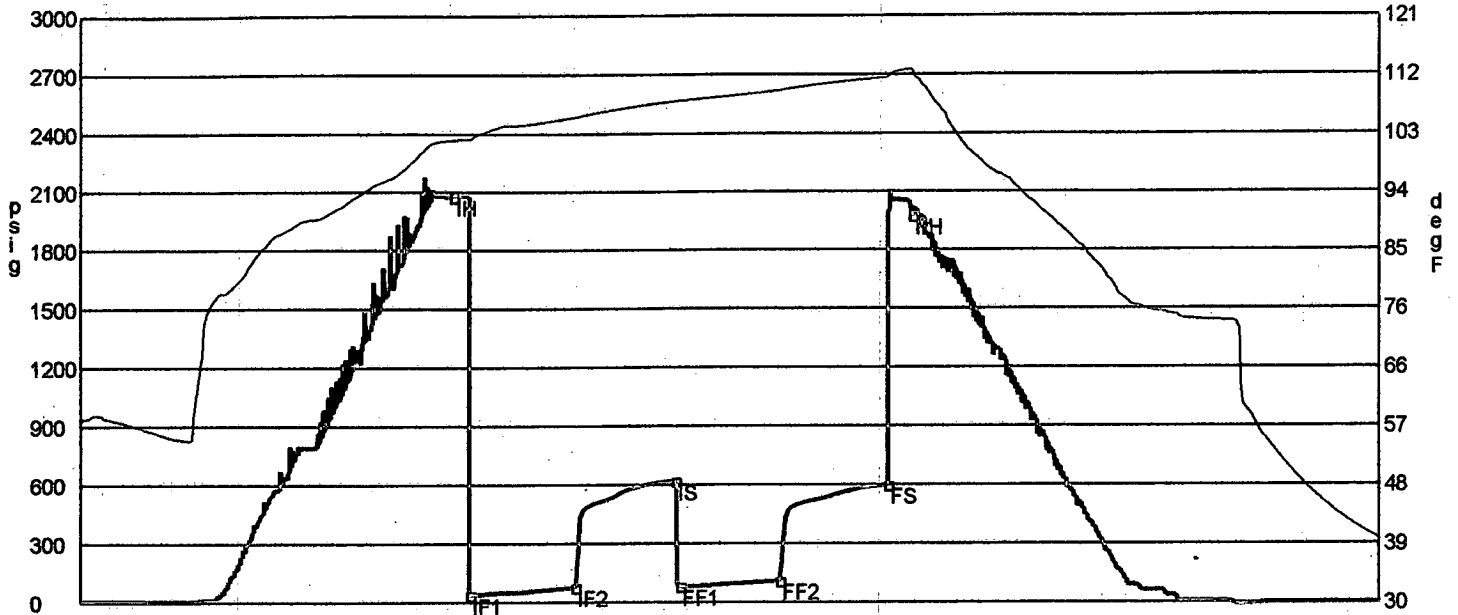
Test # 2	Test Date	1/9/2008	Chokes	3/4	Hole Size	7 7/8
Tester	Tim Venters		Top Recorder #	W1119		
Test Type	Conventional Bottom Hole		Mid Recorder #			
	Successful Test		Bott Recorder #	13565		
of Packers	2.0	Packer Size	6 3/4	Mileage	32	Approved By
Lub Type	Gel Chem		Standby Time	14		
Lub Weight	9.4	Viscosity	47.0	Extra Equipmnt	Jars & Safety joint	
Rate	8.8	Chlorides	1200	Time on Site	12:20 PM	
Drill Collar Len	0		Tool Picked Up	2:30 PM		
Light Pipe Len	0		Tool Layed Dwn	8:00 PM		
Formation	Lansing "J&K" & Pleasenton		Elevation	2802.00	Kelley Bushings	2812.00
Interval Top	4269.0	Bottom	4360.0	Start Date/Time	1/9/2008 1:58 PM	
Anchor Len Below	91.0	Between	0	End Date/Time	1/9/2008 8:19 PM	
Total Depth	4360.0		Very weak surface blow at the start of the initial flow period, building to 5 inches. Very weak surface blow at the start of the final flow period, building to 1/4 inch. Times: 30, 30, 30, 33.			

RECOVERY

Test Description	Gas	Oil	Water	Mud
10 Very slight (trace) oil cut mud	0% 0ft	trace	0% 0ft	100% 180ft
ST Fluids	0			

RECEIVED
 KANSAS CORPORATION COMMISSION

FEB 22 2008
 CONSERVATION DIVISION
 WICHITA, KS



	Date	Time	Pressure	Temp	
IH	1/9/2008 3:45:45 PM	1.795833	2078.538	101.904	Initial Hydro-static
IF1	1/9/2008 3:50:45 PM	1.879167	41.424	102.054	Initial Flow (1)
IF2	1/9/2008 4:21:45 PM	2.395833	79.442	105.442	Initial Flow (2)
IS	1/9/2008 4:51:15 PM	2.8875	621.269	107.859	Initial Shut-In
FF1	1/9/2008 4:52:30 PM	2.908333	84.292	108.027	Final Flow (1)
FF2	1/9/2008 5:22:00 PM	3.4	112.016	109.497	Final Flow (2)
FS	1/9/2008 5:54:00 PM	3.933333	599.427	111.514	Final Shut-In
FH	1/9/2008 6:01:15 PM	4.054167	1976.196	112.699	Final Hydro-static

GAS FLOWS

Min Into IFP Min Into FFP Gas Flows Pressure Choke

OR

RECEIVED
 KANSAS CORPORATION COMMISSION
 FEB 22 2008
 CONSERVATION DIVISION
 WICHITA, KS